



DISASTER NEWS

Economic Injury Loans for Small Businesses

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SBA DISASTER LOANS AVAILABLE FOLLOWING SECRETARY OF AGRICULTURE DISASTER DESIGNATION

MINNEAPOLIS - The U.S. Small Business Administration (SBA) announced today that federal disaster loans are available to small, non-farm, agriculture-dependent businesses in contiguous counties in the State of Minnesota. This action results from a declaration (primary) in the adjacent State of Iowa.

“SBA’s disaster declaration was issued as a result of a similar action taken by the Secretary of Agriculture to help farmers recover from damages and losses to crops caused by winter snow load, excessive rainfall, high winds, hail, and tornadoes occurring February 1, 2004 and continuing,” said SBA Disaster Area Director, Michael C. Allen.

Under this declaration, SBA’s Economic Injury Disaster Loan (EIDL) program is available to small agriculture-dependent businesses and small agricultural cooperatives that suffered economic injury as a direct result of the weather’s effect on agricultural producers. For example, a business that sells goods/services to agricultural producers may be unable to pay bills and/or meet expenses because of the reduced purchasing power of the farmers and ranchers.

Eligible small businesses may qualify for loans up to \$1.5 million. These loans are available at 2.900 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Under this disaster declaration, SBA does not provide loans to agricultural producers, and cannot provide loans to non-agricultural dependent businesses.

The declaration designates the following contiguous counties: (Contiguous counties are eligible because they are adjacent to one or more of the primary counties and SBA recognizes that disasters don’t usually stop at county or state lines)

MINNESOTA CONTIGUOUS COUNTIES:

Nobles

Rock

Interested business owners should contact the SBA Disaster Area 2 Office at One Baltimore Place, Suite 300, Atlanta, GA 30308, or call 1-800-359-2227 for more information and to obtain a loan application. **Loan applications must be returned to SBA no later than May 17, 2005.**

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For more information about our disaster loan programs visit SBA’s website at www.sba.gov/disaster